

**01166**

**1989/06/25**

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EXCISE

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SECRETARY'S MORNING SUMMARY FOR JUNE 25, 1989

1. CHINA: THE CENTRAL COMMITTEE ACTS

THE CENTRAL COMMITTEE YESTERDAY REMOVED ZHAO ZIYANG FROM ALL HIS PARTY POSITIONS AND DEMOTED THREE OF HIS SUPPORTERS. HARD-LINERS REMAIN AN IMPORTANT FORCE IN THE LEADERSHIP, BUT ASIDE FROM SEEING THEIR RIVALS HUMBLLED, THEY GAINED LITTLE IN THE LEADERSHIP RESHUFFLE: JIANG ZEMIN, A COMMITTED ECONOMIC REFORMER, WAS NAMED GENERAL SECRETARY AND PROMOTED TO THE POLITBURO STANDING COMMITTEE. LI PENG REMAINS PREMIER, BUT NONE OF HIS PROTEGES RECEIVED A PROMOTION, NOR DID THE MILITARY OR SECURITY APPARATUSES ENHANCE THEIR POSITIONS WITHIN THE LEADERSHIP.

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8/30/93

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MR Cases Only:  
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ZHAO'S OUT . . . . .

THE CENTRAL COMMITTEE PLENUM MADE OFFICIAL WHAT HAS BEEN KNOWN FOR WEEKS--ZHAO ZIYANG HAD LOST HIS JOB AS PARTY CHIEF. ALTHOUGH REMOVED FOR MAKING "VERY SERIOUS MISTAKES" AND "SUPPORTING TURMOIL AND SPLITTING THE PARTY," ZHAO WAS LABELLED "COMRADE" AND NOT CHARGED WITH BEING A COUNTERREVOLUTIONARY.

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THE CHARGES ARE NONETHELESS SERIOUS, AND THE COMMUNIQUE HINTS DARKLY THAT THE CENTRAL COMMITTEE WILL "LOOK FURTHER INTO HIS CASE." ALTHOUGH ZHAO'S INITIAL TREATMENT IS FAR Milder THAN SUGGESTED BY DOCUMENTS REPORTEDLY CIRCULATED LAST MONTH, THE LEADERSHIP REMOVED HIM FROM ALL POSTS, INCLUDING THE CENTRAL COMMITTEE; FORMER PARTY CHIEFS HU YAOBANG AND HUA GUOFENG BOTH WERE LEFT ON THE POLITBURO, AND HUA RETAINED A CENTRAL COMMITTEE SEAT FOR ALMOST A DECADE AFTER LOSING A POWER STRUGGLE WITH DENG.

. . . JIANG'S IN

THE NEW PARTY CHIEF IS JIANG ZEMIN, RECENTLY PARTY BOSS IN SHANGHAI AND A POLITBURO MEMBER SINCE 1987. NEITHER

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REFORMERS, NOT LIBERALS

THE CENTRAL COMMITTEE ALSO DUMPED ALL TOP-LEVEL ZHAO ASSOCIATES WHO HAD DEMONSTRATED A STRONG COMMITMENT TO POLITICAL REFORM--POLITBURO STANDING COMMITTEE MEMBER HU QILI [WHO KEPT A POLITBURO SEAT] AND SECRETARIAT MEMBERS RUI XINGWEN AND YAN MINGFU.

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ALMOST ALL THOSE WHO WERE PROMOTED--JIANG ZEMIN; TIANJIN PARTY CHIEF LI RUIHUAN, WHO JOINS THE POLITBURO STANDING COMMITTEE AND SECRETARIAT; AND DING GUANGEN, WHO JOINS THE SECRETARIAT--ARE COMMITTED TO ECONOMIC REFORM BUT

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TAKE A MORE ORTHODOX STANCE ON POLITICAL ISSUES. BOTH  
JIANG AND LI RUIHUA ACTED WITH MODERATION DURING RECENT  
STUDENT UNREST, ALLOWING STUDENTS TO VENT FRUSTRATION AND  
AVOIDING VIOLENCE OR THE USE OF TROOPS.

CONSERVATIVES GAINED ONE SEAT ON THE NOW SIX-MAN STANDING  
COMMITTEE: ORTHODOX ECONOMIC PLANNER SONG PING, A CHEN  
YUN PROTEGE, WHO IS NOW IN CHARGE OF TOP-LEVEL PARTY  
PERSONNEL AFFAIRS.

KEEPING THE DOOR OPEN

THE COMMUNIQUE--LIKE DENG'S JUNE 9 SPEECH, WHICH IS NOW  
CIRCULATING AS OFFICIAL GUIDANCE--STRONGLY ENDORSES  
CHINA'S COMMITMENT TO ECONOMIC REFORM AND OPENING TO THE  
OUTSIDE. IT CONTAINS NO BLUSTER OR WARNINGS ABOUT FOREIGN  
GOVERNMENTS "INTERFERING IN CHINA'S INTERNAL AFFAIRS" BUT  
RATHER EXPRESSES THE BELIEF THAT FOREIGNERS WILL  
UNDERSTAND CHINA'S "JUST STRUGGLE TO QUELL THE  
COUNTERREVOLUTIONARY REBELLION" AND THAT FRIENDLY TIES  
BETWEEN THE PRC AND OTHER COUNTRIES WILL CONTINUE TO  
DEVELOP. [CONFIDENTIAL]

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